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State of Utah Department of Commerce Division of Securities

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Director of Securities

NEWS RELEASE

CONVICT PROHIBITED FROM SELLING FACTORING AGREEMENTS

December 16, 2005. . . Salt Lake City, UT. Francine A. Giani, Executive Director of the Utah Department of Commerce announced today that John Boyd Tenney has been ordered by the Division of Securities to never sell securities in the State of Utah. A \$25,000 fine was imposed.

The Division of Securities brought its order to show cause against Tenney in July 2002. The State's action alleges that Tenney began soliciting investors in 2001 to purchase promissory notes and factoring agreements (buying accounts receivable at a discount) from a company called EchoTek Communications. Investors were promised they would double their money in a year, with no risk, that they had priority in receiving payments from EchoTek, and that they would receive stock in EchoTek. In reality, the state's investigation found that investor funds were being used for personal expenses of company officers and to repay earlier investors. Moreover, the state found that Tenney did not disclose to investors that he had a prior criminal conviction as well as \$850,000 in unpaid judgments related to other failed business ventures.

In 2002, the State also filed criminal charges against Tenney for his conduct in soliciting investments in EchoTek. He was convicted on March 16, 2005 of seven counts of violating securities laws and ordered to pay restitution to the victims. He was given a sentence of one to fifteen years and currently is at the Utah State Prison. Tenney consented to entry of the order by the Division of Securities without admitting or denying the violations. Tenney and EchoTek both were based in Salt Lake City.